



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, JULY 23, 2007
WWW.USDOJ.GOV

CIV
(202) 514-2007
TDD (202) 514-1888

VIRGINIA COMPANY ENTERS INTO DEFERRED PROSECUTION AGREEMENT & AGREES TO PAY \$30.5 MILLION

WASHINGTON – The U.S. Attorney’s Office for the District of Columbia and the Justice Department’s Civil Division have reached a criminal deferred prosecution agreement and a civil False Claims Act with Reston-based Maximus Inc, which requires Maximus to pay \$30.5 million. The parties also announced that Maximus has agreed to enter into a corporate integrity agreement with the Department of Health and Human Services Office of Inspector General.

The deferred prosecution agreement, civil settlement, and corporate integrity agreement resolve an investigation of Maximus’ activities under a contract with the District of Columbia’s Child and Family Services Agency (CFSA). Under the terms of the contract, Maximus helped CFSA submit claims to Medicaid for services provided by the District to children in its foster care program. The services, known as target case management (TCM) services, are provided by CFSA to assist foster children with their medical, social and educational needs.

The admission of responsibility in the deferred prosecution agreement and the civil settlement resolve allegations that Maximus’s employees, including a former company vice president, decided to cause CFSA to submit claims to the Medicaid program for TCM services for each child who had been placed in the care of CFSA whether or not services had in fact been provided to those children.

“The \$42.65 million settlement with Maximus demonstrates the Justice Department’s strong commitment to vigorously pursuing those companies that defraud the Medicaid program,” said Peter D. Keisler, Assistant Attorney General for the Justice Department’s Civil Division.

In the civil False Claims Act settlement, Maximus agreed to pay the United States \$30.5 million. The U.S. had previously recovered \$12.15 million from CFSA after a review conducted by the Department of Health and Human Services’ (HHS) Centers for Medicaid and

Medicare Services revealed that CFSA could not support 35 percent of the targeted case management claims it had submitted. The civil settlement thus brings the United States' total recovery to \$42.65 million.

"The corporate integrity agreement with Maximus reflects the commitment of the Office of Inspector General (OIG) to ensure that the Medicaid Program effectively serves vulnerable populations and is not exploited by consulting firms providing suspect reimbursement advice," said HHS Inspector General Daniel Levinson. "This unprecedented corporate integrity agreement contains provisions that authorize OIG to review Maximus' contracts and requires dissemination of review findings to Maximus' clients."

The investigation into the allegations followed the filing of a lawsuit on behalf of the United States by Benjamin Turner, a former division manager at Maximus. Mr. Turner filed the suit under the *qui tam* or whistleblower provisions of the False Claims Act and will receive \$4.93 million as his share of the settlement. Under the whistleblower provisions of the False Claims Act, private parties can file an action on behalf of the United States and receive a portion of the proceeds of a settlement or judgment awarded against a defendant.

"This is the latest in a series of cases showing that the U.S. Attorney's Office will aggressively investigate Medicaid fraud," said U.S. Attorney Jeffrey A. Taylor. "This prosecution also underscores our office's commitment to ensuring that Medicaid contractors play by the rules. By the terms of today's agreement, Maximus acknowledged its responsibility for causing scarce Medicaid dollars to be spent for undocumented services that likely were never provided to some of the neediest citizens of the District of Columbia."

Today's announcement of the deferred prosecution and the settlement resulted from an investigation by the Justice Department's Civil Division, the U.S. Attorney's Office for the District of Columbia, the Office of Inspector General of the Department of Health and Human Services, and the Federal Bureau of Investigation.

#